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RUEHGT/AMEMBASSY GUATEMALA PRIORITY 0706
RUEHMU/AMEMBASSY MANAGUA PRIORITY 0534
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RUEHSJ/AMEMBASSY SAN JOSE PRIORITY 1057
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RUEHTG/AMEMBASSY TEGUCIGALPA PRIORITY 0739

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WHA/CAR CWARD
DEPARTMENT OF LABOR FOR DOL/ILAB EMUIRRAGUI

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TAGS: <u>ELAB EIND ETRD</u> <u>PHUM SOCI USAID DR</u>
SUBJECT: SCENESETTER FOR DOL DEPUTY UNDERSECRETARY
CHARLOTTE PONTICELLI

11. The Dominican Republic has become a reliable supporter of democracy in the sometimes difficult and always strategic Caribbean. Our close relationship is exemplified by Dominican ratification of the CAFTA-DR free trade agreement, and our friendship is cemented by a history of strong economic and commercial ties, military and law enforcement cooperation, and cultural links. The United States is the country's principal trade partner, with bilateral trade totaling more than \$9 billion annually. From a country of only 9 million people, one million Dominicans and Dominican-Americans now live in the United States. The United States remains the Dominican Republic's principal catalyst for the institutional reforms needed to assure the country remains secure, democratic and prosperous.

Child labor and education

- 12. The law prohibits employment of children younger than 14 and places restrictions on employment of children under age Article 25 of the Labor Code prohibits forced labor, child prostitution, and child pornography. The government passed a law this year criminalizing the electronic dissemination, sale, and/or purchase of child pornography. Education is free, universal and compulsory through the eighth grade. Although the Ministry of Education reported a 97 percent enrollment rate, a government study estimated the average grade level achieved by children in public schools was the fifth grade in rural areas and sixth grade in the urban areas. The poor quality of public primary education is also a significant problem. Recent studies indicate that the reading, writing and math skills of elementary school students in the public system are on average two grades behind children who attend private schools (i.e., a fifth grader in the public system has skills roughly equivalent to a third grader in the private school system).
- 13. While the government effectively enforced child labor regulations in the formal sector, child labor was largely a problem in the informal sector. Child labor occurred mostly in small business, private households and agriculture.
- 14. The lack of documentation is a serious issue for many Dominican children. The Central Elections Board (JCE) estimates that as much as twenty percent of children are not registered at birth. The law provides for late declarations; however, there are limitations such as when the parents themselves are undocumented. Children without documentation

have difficulty accessing primary public education and are prohibited from attending public secondary schools.

Right of Association

- 15. The law provides for the freedom to organize labor unions, and all workers, except the military and the police, are free to form and join unions of their choice. Organized labor represented an estimated 8 percent of the work force. There is an ongoing labor dispute at a Hanesbrands textile plant in Bonao Province, where there were reports of antiunion activity. The Dominican Department of Labor (SET) formed a commission to verify whether the workers had the majority necessary to secure collective bargaining rights. The commission ruled that the workers have a majority; however, Hanes has refused to accept the commission's findings and is challenging the Government's ruling in court.
- 16. In the agriculture sector, there were reports that workers at an agricultural export company in the north of the country had repeated requests to register their unions turned down, despite meeting the minimum requirement of 20 members. The company allegedly went on to make mass dismissals of 80 to 100 people at a time. The workers managed to obtain the legal registration of the union; however, reports alleged that the company continued its antiunion campaign and discriminated openly against union members, who were forced to work overtime and are refused water and transport in and outside the fields.

CAFTA-DR Labor Programs

17. The Embassy is working to strengthen labor rights, most importantly through the US\$40 million regional, multi-year

program for FY2006-FY2009 for labor and environment capacity building in the CAFTA-DR countries. Components of this program include:

- -- Labor Justice System Modernization \$8.94 million;
- -- Strengthen Labor Ministry Capacity to Enforce Labor Laws, Conduct Inspections, and Resolve Labor Disputes \$14.94 million:
- -- Reduce Discrimination and Harassment against Women in the Maquilas \$3.98 million;
- -- Benchmarking, Verification, and Monitoring Progress \$2.98; and
- -- Worst Forms of Child Labor \$27 million.
- 18. In addition to the CAFTA-DR Labor Programs, USAID/DR initiated in September 2007 a five-year \$7.5 million CAFTA-DR Implementation Project to strengthen the key institutions involved in the compliance of this free trade agreement. The key institution in this effort is the Office of Foreign Trade (DICOEX) in the Secretary of Industry and Commerce (SEIC), which is the point of contact with USTR on CAFTA-DR matters. That is, DICOEX oversees the CAFTA-DR trade capacity building (TCB) effort in all the Dominican institutions involved in CAFTA-DR compliance, including the Dominican Ministry of Labor, labor unions, and the private sector.

Ongoing Labor Projects

- 19. In addition to projects designed to combat the Worst Forms of Child Labor led by DevTech systems, the following are ongoing labor related projects in the country.
- --Fundapem, an NGO in Costa Rica, runs Cumple y Gana in several countries including the DR. Cumple y Gana has allowed the Ministry of Labor (SET) to improve their labor inspectorate and worker rights education through www.leylaboral.com.
- --Jesuit Refugee Services (SJRM) is providing humanitarian and legal assistance to migrant workers and families.
 --Development Alternatives Inc. (DAI), funded by the U.S. Department of Labor, is leading CULTIVAR, a project to promote compliance to local labor laws in the banana and rice sector.

--USAID is funding Laboral XXI, a labor modernization program of the Ministry of Labor's information systems.

110. USDOL/ILAB plans to fund a project for workers in the sugar cane sector in the country. The project dedicates \$1 million to address the working conditions, wage and hour violations, occupational safety and health and deferred payment for services of sugar cane workers. In addition, the FY2008 Foreign Ops budget includes a \$5 million earmark to improve socio-economic conditions for residents of bateyes, communities made up primarily of immigrant workers. FANNIN